



SUPPORT – House Bill 1240
Fossil Fuel-Powered Appliances and Vehicles
House Environment and Transportation Committee

Columbia Gas of Maryland, Inc., a natural gas utility providing energy to more than 34,000 customers in Maryland’s western counties of Allegany, Garrett and Washington, supports House Bill 1240.

The legislation is designed to ensure Maryland homes and businesses can continue to utilize the fuel source of their choice to cook their meals and heat their homes. Columbia is informed, 24 states have already adopted similar legislation to ensure homes and businesses can continue to access the energy source that best matches their lifestyle. Columbia understands similar legislation was passed with bipartisan support.

Columbia is further informed approximately 100 localities across the country and three states have taken efforts to prohibit or severely restrict the direct use of natural gas particularly in new construction. These bans have taken many forms either via ordinance or building code and many times have been adopted with little public awareness or input. These bans deprive consumers of choice, increase costs, threaten energy reliability and resilience, and significantly impact economic development.

Maryland natural gas consumers enjoy natural gas because it is affordable and reliable when needed the most. Recent polling conducted on behalf of the American Gas Association (AGA) found Americans oppose banning the use of natural gas by a two-to-one margin. It is notable Columbia sees continued interest in using natural gas in our service territory. Since 2016, the share of homes using natural gas for space heat has grown from 35% to 40%, compared to a decline in homes using electricity for heat from 38% to 36%. And although the number of our customers has been increasing, natural gas emissions have been declining. From 2005 through 2022, our total number of customers has grown by 9.7%, yet our customers’ emissions have declined by 5.7%.

The natural gas system is strong and reliable, particularly during times of peak demand. Efforts to prohibit natural gas in Maryland would result in both immediate and long-term cost increases that would serve to decimate energy affordability in the state. Based on company analysis, the average monthly lifetime costs to heat a home with natural gas is \$93 - \$101 (depending on efficiency of furnace) compared to electricity, which is \$113 - \$199 (depending on efficiency of heat pump). This includes high efficiency heat pumps.

Columbia estimates it would cost \$1.2 BILLION to build electric generation to replace just the firm capacity for our customers in Garrett, Allegany and Washington counties. That translates to a cost of approximately \$35,000 per customer and does not include the cost of new transmission and distribution facilities, which is expected to be substantial, or the customer’s cost of additional equipment to electrify their homes. The purchase and installation of a new high efficiency electric heat pump can cost as much as \$17,000. All in, each residential customer could be expected to pay over \$50,000 in incremental costs.

Continuing to utilize the existing natural gas system is an affordable option for Maryland homes and businesses and a pathway for energy reliability. The preservation of natural gas gives residents the ability to stay warm on the coldest days of the year – like we experienced in mid-January 2024. On an energy equivalent basis, the gas system provides three times the energy as that of the electric sector during peak winter months.

Overreliance on any one source of energy can jeopardize overall energy system reliability and resilience and ultimately result in greater costs for all consumers. The natural gas distribution system is an incredibly reliable energy delivery system with unplanned outages affecting only about 1 in 800 natural gas customers per year. By comparison, electric distribution systems have an average of one outage per year per customer.

Banning natural gas use would also have a unique and detrimental effect on restaurants. In fact, nine out of ten restaurateurs who use natural gas believe bans would negatively impact their business and the quality of food they serve.

Preserving consumer energy options also ensures Maryland can take full advantage of a wide range of new and innovative technologies that can utilize the gas distribution system. The greater use of renewable natural gas and hydrogen can reduce greenhouse gas (GHG) emissions in Maryland, but efforts seeking to ban natural gas infrastructure and hook ups would severely limit Maryland's ability to be innovative and reduce GHG emissions.

Columbia Gas of Maryland believes the requirements of House Bill 1240 are appropriately and reasonably crafted policies related to Maryland's energy policies and supports the legislation.

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